and most intact wild places left in the lower 48 States. We call it a front because that is what it is. It is a front.

Anybody driving across the State of Montana westward, coming in from the east, first encounters open plains and prairies; they are vast. And then, suddenly, out in the distance the Rocky Mountains, the Continental Divide, jumps out of the plains. That is what we call the eastern front.

It is amazing and it astounds me every time I drive across the State and see it from a distance. It is special to Montanans and it is sacred to the Blackfeet Indian tribe. It is home to the Nation's largest population of big horn sheep, and the second largest population of elk, as well as deer, grizzly bear, and countless other species of fish and wildlife. In fact, the front is the only place in the lower 48 where grizzly bears still roam the plains, just as they did when Lewis and Clark passed through the area 200 years ago.

Because of this exceptional wild space, which includes Glacier National Park, millions of acres of wilderness and the Blackfeet Indian Reservation, the front offers unsurpassed hunting, fishing, and recreational opportunities.

Sportsmen, local landowners, local elected officials, hikers, Tribal leaders, local communities, and many other Montanans have worked for decades to protect and preserve the front for future generations. I have hiked in the front many times, including to the top of Ear Mountain. It's special to me personally.

Most Montanans believe very strongly, frankly, that oil and gas development and the front just don't mix.

The front is too wild and too precious to subject it to roads, pipelines, noise and other such development activities. In addition, surveys of the area indicate that there just isn't that much oil and gas in the front, certainly not enough to justify disturbing this pristine area.

That is why it has been well over a decade since any development activity occurred there at all, and why this administration last year halted an environmental impact study in the Blackleaf Area of the Front. The administration conceded that the time and expense associated with evaluating drilling options in the front was not the best use of taxpayer dollars.

They conceded that this area might indeed be one of those special places where the benefits of oil and gas development do not outweigh its costs. Even the administration understands that it's highly unlikely that any leaseholder will ever be able to drill in the front.

I couldn't agree more.

That's why I filed an amendment to the energy bill that offers a permanent solution to the century-long conflict over development on the front.

My amendment would establish a voluntary program allowing leaseholders in the Badger-Two Medicine or Blackleaf Areas of the front to cancel their leases. In exchange, leaseholders could receive rights to drill elsewhere in Montana, or bidding, rental or royalty credits for existing leases in Montana, or a tax credit.

Any canceled lease would be permanently withdrawn from future leasing and oil and gas development activity. This withdrawal provision would also apply to a lease canceled for any other reason, including as the result of a private buy-out.

To encourage leaseholders to take advantage of the program, it would expire at the end of 2009. Finally, it would provide economic development grants to Teton County, Montana, to compensate the county for the loss of any potential revenue from these leases.

This is a win-win proposal that provides leaseholders value for their investment, while providing permanent protections for the front. Because it's a purely voluntary program, leaseholders don't have to participate, but there will be a strong incentive for them to do so—they know that their leases will probably never be developed, given the intense local opposition and the expense and time involved with trying to drill in the front.

Unfortunately, Mr. President, the time was not right for me to call for a vote on ame mendment, but I thought it was very important to share it with my colleagues. I will work hard in the coming months to build support for my proposal, which I think is critical to ending the conflict over the front and preserving its beauty and wildlife for future generations.

AMERICA'S PLACE IN THE WORLD

Mr. BAUCUS. Mr. President, a little less than 2500 years ago, in Athens, Pericles the king looked out from the Acropolis. In the bay beyond the port city, he saw some of Athens's 200 ships, which brought peace, commerce, and Athenian pottery to a free-trade area of more than 100 Greek city-states. Pericles boasted: ''The wares of the whole world find their way to us.''

Pericles stood astride one the wealthiest, most culturally-advanced states of his time. Greeks had vanquished the evil empire of Persia to the east. Pericles had transformed the Delian League, a defensive alliance formed to contain Persia, into an Athenian empire. And Pericles advanced the world of ideas, advocating the new idea of democracy.

Said Pericles: ''Athens alone, of the states we know, comes to her testing time in a greatness that surpasses what was imagined of her. . . . Future ages will wonder at us, as the present age does now.''

Pericles had every reason to believe that Divine Providence had smiled on him and on his city.

A little less than 500 years ago, in Aachen, Charles V looked up to receive the crown of Germany. Charles had become the most powerful ruler in Christendom: Holy Roman Emperor and sovereign over what is now Spain, Central Europe, southern Italy, and Spain's new overseas colonies. Sir Walter Scott said: ''The sun never sets on the immense empire of Charles V.'' Charles sought to unite his empire into a universal, multinational, Christian empire. His motto was: ''Even further.''

Charles had every reason to believe that divine providence had smiled on him and on his empire.

A little more that 150 years ago, in London, Queen Victoria, adorned in pink, silver, and diamonds, escorted by a troop of the Household Cavalry, road in a closed carriage from Buckingham Palace to Hyde Park to see the Great Exhibition at The Crystal Palace. Trumpets flourished, and a thousand voices greeted her, singing Handel's Hallelujah Chorus.

She walked through the Exhibition, a world's fair, and saw exhibits displaying the riches of Britain's far-flung colonies: carved ivory furniture from India, furs from Canada, hats made by convicts from Australia. The theme of the Exhibition was one word: ''Progress.''

Victoria saw exhibits representing an England that was industrially supreme. England controlled one-third of the world's international trade. The English merchant navy handled three-fifths of the world's oceangoing tonnage. Senator Daniel Webster called the English empire: ''A power which has dotted over the surface of the whole globe with her possessions and military posts, whose morning drumbeat, following the sun, and keeping company with the hours, circles the earth with one continuous and unbroken strain of the martial airs of England.''

Victoria had every reason to believe that Divine Providence had smiled on her and on her empire.

The citizens of Periclean Athens, Habsburg Spain, and Victorian England each could feel that their nation had reached the zenith of human endeavor. From where they stood, Pericles, Charles, and Victoria were the most powerful leaders of their time. Their centuries belonged to them.

Pericles looked to ''future ages.'' Charles envisioned going ''even further.'' And Victoria saw ever more ''progress.''

But within a century, each nation had been eclipsed.

Periclean Athens fell victim to war. Not long after Pericles's death, the devastating Peloponnesian War with Sparta weakened Athens. Within a hundred years, the great city was dominated by a little known northern country called Macedonia.

Charles V, seeking to harness a new technology of shipbuilding and royal navies, incurred spiraling defense costs. Charles's wars caused him to pledge his revenues to bankers for years into the future. By 1543, two-thirds of his ordinary revenue went to pay interest on past debts alone. Not long after Charles' death, dynastic division rent his empire apart. And within a hundred years, Europe had become a continent of many roughly-equal powers.

Not long after Victoria's death, England found itself surpassed by American economic growth and mired in World War. And within a hundred years, Britain's once-great empire had spun off into a splintered commonwealth.

And so began what Henry Luce called ''the American Century.'' At the beginning of the 20th century, America's economy was already 40 percent larger than China's and more than twice as big as Britain's.

And in the wake of World War II, America was the only major power whose homeland had not suffered massive devastation. America's economy dominated the world. At mid-century, America's gross domestic product was 5 times Britain's, 5½ times China's.

Look out today at the ships docked in the port of Seattle. Count the containers that bring grain and beef from Montana to the world. Count the containers that bring ''the wares of the whole world . . . to us.''

On behalf of a great and powerful nation, on February 2, President Bush could look out over lawmakers assembled in the House of Representatives and say: ''[W]e've declared our own intention: America will stand with the allies of freedom to support democratic movements in the Middle East and beyond, with the ultimate goal of ending tyranny in our world.''

America's is a great promise. Ours is the leading nation. We live in the preeminent country on earth.

Americans have every reason to believe that Divine Providence has smiled on us and on our Nation.

Today, Americans account for fewer than 1 in 20 of the world's people. But Americans produce more than a fifth of the world's economic output.

Today, America has a $12 trillion economy, three times the size of Japan's, fives times the size of Germany's.

But China's economy, when measured on a purchasing power parity basis, is now $7.3 trillion. And it is growing fast.

Like Athens or Spain or England in their day, America is the greatest power of our time. But our lease on greatness is no more certain than those of the great powers of the past. We, no more than they, cannot maintain our leadership of the world without effort.

The next two decades will challenge America. We face competition from rising economic powers, powers with vast populations with nowhere to go but up. And foremost among those competitors will be China.

We cannot blithely sit back and rest on our laurels. We must energize ourselves anew to maintain America's place in the world.

Over the last two decades, China's economy has grown an average of 9.5 percent, roughly three times as fast as America's. And although America is a populous country of almost 300 million people, China is home to 1.3 billion people. India is not far behind, with just over a billion people.

Starting in the late 1970s, China and India began to reform their economies. And in the late 1980s, Communism collapsed in Eastern Europe. In the last two decades, these transformations have led to nearly half the world's population—about 2.6 billion people—entering the global workforce. The world has only just begun to feel the effects of this awakening.

Visit export-zone China, and you will see that corporate America and corporate—Japan are already well in evidence. The international corporations already understand that China will fuel this century's economy.

Much of America, however, still has a shock ahead of it. Before 2020, China may surpass America as the world's largest economy. Superpower America has competition, after all. And we had better hustle, too, or the Chinese will eat our lunch.

Well-educated young people in China, India, and Eastern Europe increasingly have the skills to compete with Americans for high-value-added jobs. Companies are moving jobs offshore to workers in these countries not only because they work for less, but also because they are well educated in math and science.

An old Chinese proverb says: ''What you cannot avoid, welcome.'' Dramatic Chinese growth appears unavoidable.

China has drunk the Kool-Aid of capitalism and it is not looking back. Big city China hustles, bargains, and works hard for a better life. Skylines soar in Shanghai and Beijing.

Big city Chinese public street signs come in Chinese and English. Western and Japanese companies' neon signs dominate the skyline. Western commerce is well represented, half a world from the West. China is no longer as foreign as you might expect.

You can see one district of Beijing that still sports Cyrillic billboards and shop signs. But this Russian enclave sells furs, not ideas. You can see which economic system won the cold war.

They call it ''market socialism.'' And the European economic tradition is full of the melding of the two systems, so we cannot necessarily say that the term is a contradiction. But plainly the Maoist state-controlled economy is on the descent, and free-enterprise, self-interested capitalism is on the rise. Chinese government officials smile as they explain, quote, ''Communism.''

The bargaining economy now permeates China. Chinese merchants love to haggle over sales great and small.

The change began with Deng Xiaoping, who ruled from 1978 to 1997. But the change has now firmly taken root. Some will explain, in muffled tones, that in the wake of the 1989 Tiananmen massacre, the government made a concerted effort to demonstrate that China was ''open for business.''

China, India, and Eastern Europe are now actively seeking to move underemployed populations into more productive occupations—occupations that America and other developed countries once dominated. Millions of jobs in high-tech manufacturing, software development, and services are moving to these growing labor markets.

More than 700 million workers live in China. Half of them still work in agriculture and forestry. More than three out of every five Chinese still live in the countryside. As many as 200 million underemployed Chinese workers in rural areas could move into the cities and industrial jobs.

This huge pool of surplus labor presents China with a vast opportunity to modernize its economy, continue rapid growth, and move its people up the value-added ladder into more productive employment.

Tour an American or Japanese company plant in Shanghai. You will see rows of diligent, uniformed workers filling rows of clean, well-lit work stations. The plant manager will tell you how he pays these workers $1 an hour—+about $2,000 a year-plus food and housing benefits. That is a good wage in a country with an average income of $1,100 a year. Compare that to America's average income of $37,600. Plants like this boast of a 90-percent retention of employees.

The plant manager will complain, however, that for the less-sophisticated operations, still-lower-cost centers are already nipping at their heels. Even within China, competitive businesses need to profit from innovation and new ideas, or fall victim to even-lower-cost competition.

In the long-term, Chinese labor rights must advance to help lift Chinese wages. But with 200 million job seekers at the door, substantial wage increases still appear a ways off. For the near future, China appears to own the role of the world's low-cost manufacturer.

And China's workers are not all unskilled laborers. China has focused on its education system. It is quite good for a country its size. The literacy rate tops 86 percent.

Visit a primary school in a middle-sized Chinese city. Bright, enthusiastic, charming children will greet you and win your heart. Happy first graders will greet you in English. Chinese schools are preparing students to compete in an intertwined, multinational, multilingual world economy.

Are American schoolchildren learning Mandarin? Are they even learning Spanish? The coming generation of Chinese businesspeople will do business around the world. Americans need to broaden our linguistic abilities, or Chinese businesspeople will cut the deals before us.

China's growing population of college graduates also fuels its increasing strength in high tech. Last year, nearly 3 million Chinese entered the workforce from colleges and graduate programs. That was one-third more than the year before and double the year before that. Last year, China produced 220,000 new engineers. America educated only 60,000.

China now has an unusually open economy. Foreign investment in China is more than a third of its economy, compared with only 2 percent in Japan. In 2004, the sum of exports and imports is likely to reach three-quarters of China's GDP, far more than in other large economies. In American, Japan, India, and Brazil, the figure is 30 percent or less. China has allowed foreigners to participate in its growth and development.

China has stoked the engines of its economic development through means both fair and foul. China promotes its domestic high-tech industry at the expense of foreign firms. World Trade Organization commitments prohibit discriminatory taxation of foreign products. But China applied a 17 percent value added tax on all semiconductor sales, and then rebated 11 percent of this for semiconductors produced in China and 14 percent for semiconductors designed and produced in China. The United States had to bring a WTO case to challenge the policy. China agreed to drop the policy last year.

And China does an abysmal job of protecting patents and intellectual property. Walk into an open-air market in Shanghai, and you can buy ties that bear less than credible labels: well-known brand names, ''Made in Italy.''

And it is not just ties that Chinese businesses knock off. A red sign festooned a Shanghai market: Respect ''trademark law,'' it cajoled. But as you walk under the sign, literally dozens of men hawk DVDs and watches of plainly dubious vintage.

And China also uses its currency exchange rate to distort the market. China has set, or pegged, its currency to the dollar, with an exchange rate of 8.28 renminbi to the dollar. Critics argue that as China's economy has grown, its currency should have appreciated against the dollar, making Chinese goods more expensive relative to American goods. The renminbi has not appreciated—and Chinese goods have not gotten more expensive—because of the peg. Many argue that China keeps the peg in place to support its manufacturing sector.

The reality may be more complex. But there is no denying that China does not have a free-floating currency. And there is no denying that a free-floating currency would be better for China and its trading partners, over the longer term. How to get there, especially with China's badly insolvent banking system, is what the debate is about.

China's economy could easily stumble, as America's did during the booms and busts of the 19th century. But barring any truly devastating crisis, China's economy will likely continue its upward trajectory. China will become the world's largest economy. The only question is when.

Faster growth in China should mean faster growth elsewhere. If China's real income grows by 8 percent per year—and it is—income distribution remains unchanged, then by 2020, China's top 100 million households will have an average income equal to the current average in Western Europe. That is a giant new market for consumer goods.

China's boost to global growth could exceed even those that the world economy has recently enjoyed from the spread of computers. Like that IT revolution, China's growth may lead to the loss of some jobs in the United States. But it will also likely lead to the creation of different jobs in greater numbers.

Notwithstanding the pervasive influence of American and Western culture even in once-isolated China, one senses a love-hate relationship with America. Chinese officials will note how our two nations had once been sworn enemies in a war that Americans, with our short memories, forgot long ago. On Chinese streets, men will walk up to you, asked you if you are American, and debate you about American foreign policy.

The Chinese Government maintains power through two tools: One, an improving standard of living, and two, nationalistic sentiment. In furthering the latter, China often paints America as the enemy keeping China from reuniting with Taiwan. The U.S. is thus second only to the Japanese in unpopularity in China. It need not be so.

Together, America and China accounted for half the world's economic growth in recent years. We are economic partners. We share interests in a non-nuclear Korean peninsula. And we share a common concern with radical terrorists. But many Chinese appear put off by the swagger of current U.S. foreign policy. We still have work to do to thaw U.S.-Chinese relations.

No American Government can prevent the challenges to the American economy posed by the increasing sophistication of labor markets in China, India, and Eastern Europe. We must accept the reality of these challenges.

The ancient Persians looked with disdain at the Athenian marketplace, the Agora. It was a proverb among the Persians that there: ''Greeks meet to cheat one another.'' But we can no more prevent the spread of the world's commerce than Persia could stop the spread of Hellenism.

Some may seek to avoid the unavoidable future. But we would do better to learn how to embrace it. We must adjust our policies to meet the challenge.

The American Government cannot stop international companies from hiring overseas workers instead of American workers, without inflicting great harm on the American economy. American companies compete in a global environment. If an American company cannot hire those hard-working but low-wage Shanghai workers, a foreign company will. That other company will sell the products of that factory at lower cost. Consumers worldwide will buy them. And the American company will lose the business and jobs.

Neither can we erect tariff barriers that wall off foreign competition. Higher tariffs are taxes that harm both the foreign sellers trying to sell into America and the American buyers who seek to buy foreign products. Tariffs impose a dead-weight loss on both sides. And protectionist measures invite retaliation. Protectionism thus ultimately harms a country's economy. Protectionism puts at even greater risk the jobs the politicians seek to protect.

Rather, to help prepare America to meet the challenges of the next 2 decades, we need to ensure that Americans develop the skills needed to continue to compete in higher-value-added fields. We need to continue our tradition of rewarding innovation and risk-taking. We need to fight to open new markets around the world. And we need to remove burdens that hinder our international competitiveness, like the high cost of health care in America.

Engineers play a critical role in the development of new jobs and new industries. In 1975, the United States ranked third in the world in the percentage of 24-year olds who held a science or engineering degree. By 2000, we had slipped to fifteenth. By 2004, we were seventeenth. At the same time, the Department of Labor projects that new jobs requiring science, engineering, and technical training will increase four times faster than the average national job growth rate.

Only a little more than 1 in 20 high school seniors who took the 2002 college entrance exam planned to pursue an engineering degree. The United States trains only half as many engineers as Japan and Europe, and less than a third as many as China. We should increase scholarships and loan forgiveness for engineering students to entice more young Americans to study engineering.

We should support community colleges, and strengthen the link between them and the workforce. Schools can then develop training programs relevant to jobs that actually exist in any given community.

We should make it easier, consistent with the requirements of national security, for foreign students to study in America. America has benefited from our ability to attract and to retain the best and brightest students from countries all over the world. Yet, since 9/11, many students are having a difficult time getting visas to study in America. Foreign applications to American graduate schools fell 28 percent in 2004. And enrollments of foreign students at all levels of college declined for the first time in 30 years.

Foreign students are increasingly studying in Europe and elsewhere. We are losing a generation of foreign minds, minds that in another time would have come to our shores. These declines are due in large part to the difficulties foreign students now face in getting a visa to study in America.

We must not compromise our security needs to host foreign businesspeople or students. But there must be ways to streamline visa procedures and otherwise lighten the burden to make it easier for foreigners to study and conduct business here.

American universities and research institutes do much of the most innovative research in the world. But over the last 20 years, Federal research funding in the physical sciences and engineering has actually declined by nearly one-third as a share of the economy.

Money invested in Federal research programs pays dividends many times the investment. For example, National Science Foundation funding of research in the basic sciences and engineering has helped discover new technologies that have led to multi-billion dollar industries and created countless new jobs. These include jobs in fiber optics, radar, wireless communication, nanotechnology, plant genomics, magnetic resonance imaging, ultrasound, and the Internet.

We should invest in our future by fully funding research support organizations such as the National Science Foundation, National Institutes of Health, and the Office of Science at the Department of Energy.

Without Government support, private investment in research and development would be less than it should be. The society as a whole needs to foster the research that will build a better nation in the future. The R&D tax credit has helped. But we can improve the R&D tax credit by simplifying it and making it permanent.

The Government has expended a tremendous amount of time, money, and manpower negotiating trade agreements with countries like Bahrain, Morocco, and Colombia. None of these small economies offers much to American exporters.

By contrast, last year, American companies lost more than $3.8 billion to business software piracy in China alone. Putting more resources toward defending American intellectual property rights would have a real effect on the bottom line for many American companies.

American companies sold $626.6 billion in copyrighted products in 2002, 6 percent of American GDP, and employed 5.5 million workers, or 4 percent of the American workforce. Their foreign sales and exports amount to $89 billion, more than most other export sectors. Our intellectual property is among our most valuable assets. Some would say it is now the American comparative advantage. We must do a better job protecting it.

The political bargain that has kept a consensus in support of liberalized trade has long been that in exchange for labor market flexibility, those hurt by trade would have help finding new jobs. That bargain has eroded.

America spends less on labor-adjustment assistance than any major industrialized country. Japan spends nearly twice the share of GDP, Canada nearly three times, and Germany more than eight times as much.

Trade adjustment assistance provides retraining, income support, a health insurance tax credit, and other benefits to workers who lose their jobs due to trade. TAA is not a handout for idle workers, but a means to retrain them for competitive employment and help them through the transition.

We should expand trade adjustment assistance to service workers and emphasize, and possibly expand, the wage insurance program.

And we need to do more to keep jobs in America. For most American companies, health care costs are the single biggest disincentive to hiring new workers. The costs are enormous, increasing at a double-digit pace, far outstripping health care costs in other countries.

America spends more on health care than any other country in the world. Per capita spending on health care in America is nearly 2½ times the average in the industrialized world.

Employers in America also bear much of the cost of the rising number of uninsured Americans through cost-shifting by hospitals and other health care providers. Last year, employers paid an average of nearly $2,900 for single employee coverage and more than $6,500 for family coverage.

By contrast, most employers in other industrialized countries do not pay anything for their employees' health care. A Government-sponsored universal health program bears those costs. The difference is hurting America's competitiveness.

We can take several small, practical steps to help lessen health care's burden on American companies. We could provide tax credits to small employers, fund employer-based group-purchasing pools, increase funding for high-risk pools, expand Medicaid and the State Children's Health Insurance Program, and permit a Medicare buy-in for the near-elderly.

But we cannot keep kidding ourselves. We need real change to address the problem of American health care costs. We need to do so, to meet the challenge to America's place in the world.

In reality, the economic reforms in China, India, and Eastern Europe that cause the challenge to American leadership are a good thing. We should want China, India, and Eastern Europe to educate their people, open their markets, and trade with us.

Since World War II, there has been no greater advocate for free markets around the world than America. America has much to gain in a world of free markets. When foreign workers move into more productive work, their incomes will rise. As foreign workers become more prosperous, they will become better able to buy American goods and services. And by keeping our markets open to foreign products, consumer prices fall on everything from footwear to electronics, making the American consumer's dollar go further. Everyone can be better off.

Trade is not a zero sum game. Increasing competition from China, India, and Eastern Europe does not mean that America will suffer.

Remember, after World War II, America prospered as it helped to rebuild a shattered Europe. Competition from recovering European economies did not hurt America. Rather, as Europe emerged from the devastation of war, the American economy grew along with Europe's. With the right policies, much the same can happen perhaps with much larger positive effects with the growth in China, India, and Eastern Europe.

Remember, in 1957, when the Soviet Union launched Sputnik, the first man-made satellite to orbit the Earth. The challenge of Sputnik gave America the political will to devote the resources needed to become the world's premier space power.

In the same vein, the economic challenge of the next 2 decades presents its own opportunities. The challenge posed by economic development in China, India, and Eastern Europe could help create a political consensus in favor of change and growth.

The former Librarian of Congress Daniel Boorstein wrote: ''The most important lesson of American history is the promise of the unexpected. None of our ancestors would have imagined settling way over here on this unknown continent. So we must continue to have a society that is hospitable to the unexpected, which allows possibilities to develop beyond our own imaginings.''

We cannot rest on our laurels. But if we remain open to the unexpected, if we allow the possibilities to develop, we can maintain America's leadership in the world.

It will take work. But if we redouble our education, if we open more markets, if we better manage our healthcare, then we can face the challenges of the decades to come.

We must get to work. But if we do, we can make an America that, in Pericles's words, ''comes to her testing time in a greatness that surpasses what was imagined of her.''

If we do, America can continue to ''stand with the allies of freedom'' throughout the world.

And if we do, ''Future ages will wonder at us, as the present age does now.''

The PRESIDING OFFICER (Mr. WARNER). The Senator from Utah.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. BENNETT. I ask unanimous consent the Senate immediately proceed to executive session to consider the following nominations on today's Executive Calendar: Calendar Nos. 173, 174,